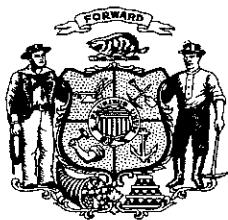


STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Mark Miller
Representative Mark Pocan

Date: May 17, 2010

Re: Department of Children and Families Report on the Wisconsin Shares Program

Attached is the May installment of the monthly report on progress with fraud prevention, investigation and overpayment collections related to the Wisconsin Shares Program from the Department of Children and Families.

The data in this report covers April 2010 activities and is the seventh report submitted.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP;jm

Jim Doyle
Governor

Reggie Bicha
Secretary



State of Wisconsin
Department of Children and Families

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May 14, 2010

Honorable Mark Miller, Senate Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

Honorable Mark Pocan, Assembly Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

This is the Department of Children and Families' May installment of the monthly report on progress with fraud prevention, investigation and overpayment collections related to the Wisconsin Shares program. The data in this report covers April 2010 activities and is the seventh report submitted.

Our evaluation criteria related to provider attendance reporting, payment patterns and licensing requirements continues to be an effective tool for program management. Using quantitative data from our records review efforts and investigative findings, we continue to identify providers with problems that require suspension from the Shares program.

Following is a summary of April activity.

Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, April 2010

Expenditures related to fraud prevention and investigation: \$156,300

The above amount represents the April 2010 costs of the Child Care Fraud Detection and Investigation Unit; information technology programming costs; and an estimate of county expenditures from their DCF fraud allocation related to investigating suspected fraudulent activity.

Expenditures related to recovering overpayments due to error or fraud: \$31,800

The April 2010 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

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Overpayment and/or restitution collected by DCF: \$119,317

In April 2010, DCF collected \$86,940 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$32,377 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are due to DCF as a result of an administrative finding that an overpayment has occurred.

Overpayment and/or restitution collected by other agencies: \$0

No overpayments and/or restitution collections have been reported by other agencies in April 2010 to DCF. As previously noted, PACU, through a broad range of collection tools including tax refund intercepts and administrative liens and levies, is the State's primary collection agency for public assistance overpayments.

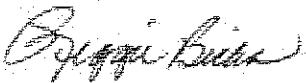
Providers Suspended from the Wisconsin Shares Program, April 2010

During the month of April, DCF suspended payments to eight child care providers, all in Milwaukee County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during April, a total of \$440,433 in overpayments was established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. The cumulative total for overpayments established against suspended providers since January of 2009 to date is now \$3,321,569.

I hope this report is a useful summary of the systematic and sustained efforts the Department of Children and Families is making with fraud prevention, investigation and overpayment collections.

Sincerely,



Reggie Bicha
Secretary

Enclosure

cc: Michael Morgan, Department of Administration
Bob Lang, Legislative Fiscal Bureau

Wisconsin Shares Provider Suspensions
April 2010

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Bessie's Kiddie Kollege	04/24/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. The provider has two child care locations. At the first location (4335 N 35th) the Department found that the provider improperly billed for approximately 77% of the individual billing records that were submitted for child care provided between 9/27/2009 and 10/10/2009. The Department also found that in 7% of these cases the provider improperly billed the Wisconsin Shares program for children who did not receive care, according to the provider's own records. At the second location (7365 W Appleton Ave) the Department found that the provider improperly billed for approximately 60% of the individual billing records that were submitted for child care provided between 10/4/2009 and 10/17/2009. The Department also found that the provider improperly billed the Wisconsin Shares program for children who did not appear on the attendance records in approximately 29% of these cases.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to DAW Enforcement	Collection
Divine Care Development Techniques	Milwaukee	04/10/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags and evidence signifying Shares violations. The red flags were identified through quantitative data showing the provider billed for over \$15,824 annually per child and was serving 2.6 children per licensed slot. The suspension was based on the provider: 1) having a no access visit at location 2; 2) failing to maintain accurate attendance records as required by the Shares program; 3) billing for children who are not listed on the daily attendance sheets; 4) having overcapacity violations noted during an onsite visit at location 1; and 5) admitting to the representative of the Child and Adult Care Food Program to switching children from one location to the other.	Yes	Overpayment establishment pending per formal investigation completion	No	N/A
Kinder World Child Care Center LLC	Milwaukee	04/17/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. The red flags were identified through quantitative data showing the provider billed for over \$11,693 annually per child and was serving 2 children per licensed slot. In addition through the provider's own admission, she "continued to bill the Wisconsin Shares for children who no longer attended her center."	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Poohs Corner Child	Milwaukee	04/17/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. The red flags were identified through quantitative data showing the provider billed for over \$17,373 annually per child and was serving 2 children per licensed slot. The provider billed the Wisconsin Shares program for 25,661 hours of care between 6/21/2009 and 9/26/2009, however the provider's attendance records show children only attended 9,263 hours, resulting in the provider overbilling the Wisconsin Shares program by 16,398 hours. The Department calculated an overpayment based on improper billing for 88% of the individual billing records the provider submitted for care provided between 6/21/2009 and 9/26/2009.	Yes	Overpayment establishment pending per formal investigation completion	No	N/A

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Sparks	04/17/2010	<p>The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings.</p> <p>The suspension was based upon the provider's 1) failure to provide access to the day care facility during the provider's stated hours of operation on multiple occasions; 2) prior licensing citations; and 3) failure to maintain and submit accurate attendance records as required by the Shares program.</p> <p>The Department has been unable to verify the actual care of children at the provider's facility on multiple occasions, yet the provider continued to bill the Wisconsin Shares program as if children were in attendance on those days. The Department has issued a warning letter for the repeated no access visits and reasonably suspects the continual unsuccessful attempt(s) to verify the presence of children attending the facility raises a strong and reasonable suspicion that the provider is billing the Wisconsin Shares program for children that do not actually attend. The Department has evidence from a former employee that the provider continued to bill the Wisconsin Shares program for six children after they were no longer in the provider's care. The former employee states that after her employment ended and her children stopped attending the provider continued to bill as if the children were in attendance for the following four weeks until the six authorizations were ended.</p>	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Tick Tock Toddlers	Milwaukee	04/10/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. These were identified through an anonymous tip to the Fraud Hotline, quantitative data, and an in person visit.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A
Tiny's Loving Angels Llc	Milwaukee	04/02/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and findings from the investigation. The red flags were identified through quantitative data showing the provider billed for over \$13,920 annually per child and was serving 2 children per licensed slot. The suspension was based upon the provider's 1) failure to have attendance records available at the child care site when the Department requested to review them; 2) failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's admission to billing for children attending a third shift when no actual third shift attendance took place.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A
Twinkles Lill Starz Family Day Care	Milwaukee	04/17/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings in addition to the provider's own admission that she "continued to bill the Wisconsin Shares for children who no longer attended her center."	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A